GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:3746
ANSWERED ON:22.03.2001
INVESTMENT BY PRIVATE COMPANIES IN WATERWAYS
CHANDRA NATH SINGH

Will the Minister of SHIPPING be pleased to state:

(a) whether the Government propose to attract the private companies to invest in the Inland waterways sector :

(b) if so, the details thereof; and

(c) the time by which a final decision is likely to be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI HUKUMDEO NARAYAN YADAV)

(a), (b) & (c) : Yes, Sir. The Govt. has already formulated a policy package which among other measures has provisions to attract private sector to invest in the Inland Waterways sector. The policy package envisages enlarging the role of Inland Waterways Authority of India (IWAI) to enter into commercial/joint ventures to encourage investment in this sector subject to financial exposure of the Government being limited to equity participation, policy guidelines for private sector participation subject to the actual capital subsidy with a ceiling of 40% for BOT project being worked out on case-to-case basis, grant of 100% tax exemption to be given to investors for five years and 30% in the next five years to be availed of within a period of 20 years as in the case of national highways, the rate of depreciation for all vessels ordinarily operating on Inland Waterways to be fixed at 20% to bring them on par with ocean going vessel, introduction of vessel building subsidy of 30% for inland water vessels built in Indian Shipyards and discontinuation of the present Loan Interest Subsidy Scheme and levying minimum customs duty on imported equipment and machinery for the development of Inland Waterways. In order to enable IWAI to enter into commercial/joint ventures, an amendmentto the IWAI Act,1985 is proposed which is likely to be introduced in the Parliament during the current session. As soon as the Bill is passed and assented to by the President further action to implement the measure will be taken. The other measures are at different stages of required preliminary action.